

VERMONT PENSION INVESTMENT COMMITTEE

July 16, 2008

VPIC Members Present:

STEPHEN RAUH, CHAIR, VMERS Governor's Delegate, term expiring June 30, 2010
JEB SPAULDING, VICE-CHAIR, VT State Treasurer
DICK JOHANNESSEN, Governor's Delegate, term expiring June 30, 2010
JAY KAPLAN, VSTRS Representative, term expiring June 30, 2011
MICHAEL K. SMITH, Governor's Delegate, term expiring June 30, 2012
WARREN WHITNEY, VSERS Representative, term expiring June 30, 2012

VPIC Alternate Members Present:

VAUGHN ALTEMUS, Alternate Governor's Delegate, term expiring June 30, 2010
STEVEN JEFFREY, VMERS Alternate, term expiring June 30, 2010
JOSEPH MACKEY, VSTRS Alternate, term expiring June 30, 2011
ROBERT HOOPER, VSERS Representative, term expiring June 30, 2012

Also attending:

Donna Holden, Clerk
David Minot, Director of Finance and Investments
Bill Griffin, Chief Assistant Attorney General
Jaye Pershing-Johnson, Assistant Attorney General
Lauren LaMorte, Facilitator

CALL TO ORDER:

Jeb Spaulding called the Tuesday, July 16, 2008, meeting to order at 1:20 p.m., which was held in the Village Conference Room, at Green Mountain Inn, 18 Main Street, Stowe, VT

ITEM 1: Welcome and Review of Act 100

Mr. Spaulding welcomed members and explained the purpose of the retreat was an effort to develop trust, mutual respect, and a team spirit to move forward with the goals of the VPIC. He said the agenda would be flexible and encouraged members to bring their thoughts and issues forward during their two days together.

The Committee reviewed the language of Act 100, and agreed members participating by phone would be permitted.

ITEM 2: Group Discussion with Facilitator Lauren LaMorte

- **Our Mission and Purpose**
- **Personal Introductions**
- **Developing Common Expectations**

Mr. Spaulding introduced Ms. LaMorte. With her facilitation, the Committee introduced themselves, described their education and backgrounds, described a personal hobby or interest, and identified values they felt were important for them regarding involvement with the Committee. The values identified included:

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|-----------------------|--|
| • integrity | • be honest about bad news |
| • transparency | • comply with fiduciary responsibility |
| • make a difference | • pay as we go |
| • level playing field | • do the right thing |
| • loyalty | • diligence |
| • keep promises | • prudence |

The Committee also discussed how the plan to operate as a group **and agreed** to following guidelines of:

- everyone would be included in discussions
- everyone would have a chance to speak
- hear and acknowledge all points of view
- be inclusive and respectful
- equal access to information with all questions asked and answered
- make discussions based on data
- respect time commitment of committee members
- keep focused on the investment
- set realistic agendas with input from members
- delegate and focus where we can have the most value

The facilitator also suggested: be open minded, listen without interruption, start and stop on time, and consider needs of all constituents. **The Committee agreed** to these guidelines as well.

The Committee discussed the differences and impacts to group dynamic of voting vs. reaching a consensus. **The Committee agreed** that:

- To ensure that all members (and alternates) had their opinions and positions heard before the Committee made a final decision, the Chair would ask for final statements before calling a vote.

The Committee discussed the development of a mission statement.

By consensus, the Committee agreed to the following mission statement:

The mission of the Vermont Pension Investment Committee (VPIC) is to make and manage investments for the Vermont State Employees' Retirement System, Vermont State Teachers' Retirement System, Vermont Municipal Employees' Retirement Systems, and other Public Retirement System, with integrity, prudence, and skill to meet or exceed the financial objectives of the beneficiaries of the funds.

The Committee discussed their long term goal was to maintain the integrity of the retirement systems respecting all stakeholders, including members, employers, and taxpayers.

ITEM 3: Committee Action Items

A. Election of Officers

The Committee reviewed Policy #5-005 regarding the roles of the officers. Amendments were added, upon discussion regarding the drafting and publishing of the agendas, and changes to an established schedule.

- **Chair**

Mr. Johannesen nominated Mr. Steve Rauh to serve as Chair.

Hearing no other nominations, the Committee unanimously voted to cast a single ballot in favor of the election of Mr. Rauh to serve as Chair.

Mr. Rauh assumed the role of chair.

- Vice Chair

Mr. Johannesen nominated Mr. Spaulding to serve as Vice-Chair.

Hearing no other nominations, the Committee unanimously voted to cast a single ballot in favor of the election Mr. Spaulding to serve as Vice-Chair.

- Clerk

Mr. Spaulding nominated Mrs. Holden to serve as Clerk.

Hearing no other nominations, the Committee unanimously voted to cast a single ballot in favor of the election of Mrs. Holden to serve as Clerk.

The Committee also discussed the role of alternates.

On a motion by Mr. Spaulding seconded by Mr. Altemus, the Committee unanimously voted to add #5 to Policy #1-005 to read:

Alternates shall be encouraged to attend and participate in all meetings.

The Committee discussed and agreed that alternates of the Chair and Vice Chair would not act as Chair or Vice-Chair in the absence of the members.

B. Discuss/Adopt Meet Schedule

The Committee agreed to postpone discussion regarding this item to the following day.

C. Review and Adoption of Existing Policies

The Committee discussed and agreed the Clerk would review the policies, draft recommendations for amendments and distribute to the Committee for comments and action at the next meeting.

ITEM 4: Executive Session

- Personnel Matters

At 4:52 p.m. on a motion by Mr. Spaulding seconded by Mr. Whitney, the Committee unanimously voted to enter into executive session, pursuant to Title 1 § 313, to discuss personnel matters.

At 6:14 p.m. the Committee exited executive session.

Adjournment

The Chair declared the meeting adjourned until 8:00 a.m. the following day, and announced the Committee would assemble for dinner at 7:00, which will also include a brief discussion with Mr. Knutzen of NEPC and no further business being conducted.

Respectfully submitted,

Donna Holden, Clerk